PRESS RELEASE

BoD APPROVES RESULTS AT 31 MARCH 2021

- **Revenue of € 144.8 million: +7% versus € 135.3 million at 31 March 2020**
- **Adjusted EBITDA of € 1.1 million: up versus € -3.1 million at 31 March 2020**
- **Strong recovery in net result: € -10.2 million versus € -19.1 million at 31 March 2020**
- **NFP before IFRS 16 of € -47.9 million: an improvement of approximately € 50 million versus € -96.9 million in first quarter 2020**

thanks to the continued positive generation of cash flow from ordinary operations of € 60.4 million

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IMPROVEMENT OF 2021 GUIDANCE

- **Revenue confirmed to grow low single digit**
- **Adjusted EBITDA with margin around 12%**
- **Strong growth in net profit thanks also to extraordinary items**
- **Cash flow from ordinary operations improving between € 50 million and € 55 million**
- **NFP before IFRS 16 forecast positive**

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START OF SHARE BUYBACK PROGRAM TO SERVICE THE SHARE PERFORMANCE PLANS

Segrate, 13 May 2021 - Today, the meeting of the Board of Directors of Arnoldo Mondadori Editore S.p.A., chaired by Marina Berlusconi, reviewed and approved the Interim Management Statement at 31 March 2021 presented by the CEO Antonio Porro.

“In the first quarter, the Mondadori Group posted a sharp increase in profitability driven, on the one hand, by the double-digit growth of revenue in the Books area and, on the other, by the ongoing efforts to curb operating and structural costs, in the Media and Retail areas in particular.
These results fit into a flying start of the year for the Books market, pushed by the greater reading propensity of Italians during the months of the pandemic.
This trend, along with the extended and improved generation of cash flow from ordinary operations and the company's greater structural efficiency, is further proof of the solidity of the Mondadori Group; all this leads us to be optimistic on both the coming months of the year and on medium-term prospects," said **Antonio Porro, Chief Executive Officer of the Mondadori Group**.

HIGHLIGHTS OF FIRST QUARTER 2021

In first quarter 2021, the Books market showed a **rather positive trend**, **growing by 39.6%**[1] versus the same period of 2020, which strengthened and consolidated the positive performance that had started from the second half of last year.
This **buoyant performance** is also confirmed when **comparing** it with **first quarter 2019** - a period totally immune to the pandemic[2] - showing an increase of **26.1%**.

[1] *GFK, March 2021 (figures in terms of market value)*
[2] The comparison with 2020 is in fact affected by the closure enforced on all bookstores from March: from 12 March until the end of April, the government measures applied to contain the pandemic led in fact to the closure of bookstores across the Country; in the early stages, the online channel too had to apply restrictions on book deliveries due to the need to prioritize the distribution of staple goods.

The segment's buoyancy was driven by the increased **reading propensity** of Italians[3]: in 2020, readers in the 15-74 age group amounted to 61% versus 58% in the prior year. The restrictive measures that have limited and continue to limit access to other forms of entertainment during leisure time have of course contributed to this trend.

PERFORMANCE AT 31 MARCH 2021

Consolidated revenue amounted to **€ 144.8 million**, **up by 7%** versus € 135.3 million of the prior year, thanks in particular to the **strong growth in the Books area, driven by the buoyancy of the market** in the quarter under review.

Adjusted EBITDA came to a positive **€ 1.1 million**, **improving by € 4.1 million** versus the first three months of 2020, when the Group reported an operating loss of € 3.1 million; this positive performance reflects, on the one hand, the good trend in revenue in the Trade Books segment, and, on the other, the effects of the **ongoing efforts to curb operating and structural costs** made by the Group.

Group **reported EBITDA** came to **€ 0.2 million** which, compared with the loss of € 4.2 million recorded in the prior year, shows a **clear improvement of approximately € 4.5 million**.

Group **EBIT** at 31 March 2021 came to a negative € 9 million, **improving by € 5 million** versus the same quarter of 2020, thanks to the trend of the abovementioned components, as well as to lower amortization and depreciation of € 0.5 million, resulting mainly from a lower average residual duration of the existing lease contracts in the Retail area (pursuant to IFRS 16).

The **consolidated loss before tax** amounted to € -12.1 million versus € -23.8 million in the first three months of 2020. Additionally, this significant improvement is also explained by:
- the reduction in financial expense of approximately € 0.5 million (from € 1.6 million to 1.1 million), due primarily to a lower average interest rate (from 0.89% to 0.78%), in addition to the reduction in ancillary expense;
- the effects of the sale of the investment in Reworld Media, completed in February 2021, which resulted in the recognition of a capital loss of € 0.4 million[4] with a positive change of € 6.5 million versus the capital loss of € 6.9 million recorded at 31 March 2020;
- the result for the period of associates (consolidated at equity) came to a loss of € -1.6 million versus € -1.3 million at 31 March 2020.

The **Group's net result**, after minority interests, amounted to € -10.2 million, **recovering strongly** from € -19.1 million recorded in the first three months of 2020: the loss usually recorded in the first quarter of the year and attributable to the seasonal nature of the Education business was thus cut by half.

The **net financial position before IFRS 16** at 31 March 2021 stood at **€ -47.9 million**, **down by approximately € 50 million** versus € -96.9 million at 31 March 2020, as a result of the **strong generation of cash flow from ordinary operations** recorded in the last 12 months, amounting to **€ 60.4 million**, which confirms the **positive path of financial improvement of the Group, despite a context still marked by uncertainty**.
The IFRS 16 net financial position amounted to € -131.8 million and includes the recognition of the financial payable from the application of IFRS 16 equal to approximately € 84 million.

Group employees at 31 March 2021 amounted to 1,838 units, down by 5.5% from the 1,944 units at 31 March 2020, due primarily to the efficiency measures that continued across all the business areas.

[3] *AIE, Libro Bianco del Cepell, 2021*
[4] The monetization of this investment generated a total gain (2019-2021) of € 1.1 million.

BUSINESS OUTLOOK

The **positive performance seen in the first few months of the year**, driven in particular by the strong growth trend of the Books market, as well as the **continued cash flow generation,** allow the Group to forecast at consolidated level - and with the current consolidation scope - an **improvement on the estimates previously disclosed**.

Performance targets

- **Revenue** in 2021 is forecast to **grow slightly** (**low single-digit**), basically **confirming the previous estimate** resulting from:
  - an improvement in revenue from the Trade Books segment versus expectations at the beginning of the year, linked to the **higher growth of the Books market**, albeit with a gradual normalization versus the trend seen in the first quarter;
  - the postponed resumption of museum activities and a more gradual recovery than previously expected in revenue from the Retail area, due to the impact of the tougher restrictive measures.
- The current forecast for **Adjusted EBITDA** reflects a moderately improved net contribution from the combined effect of the above trends, in addition to the effect of the relief awarded to the Group for museum activities: as a result, margins at consolidated level are expected to settle in the upper part of the range previously disclosed (11%-12%), namely around 12% of revenue.
- The **net result** for 2021 is confirmed to **rise sharply**, due also to two "one-off" effects:
  - the resort by the Group to the relief arising from the tax realignment on part of the intangible assets, which will allow the recognition of a significant positive tax component;
  - the impact on the 2020 result of the write-down of certain balance sheet items that is not currently expected in 2021.

Cash Flow and Net Financial Position

Additionally, with regard to the Group's financial debt, one can reasonably expect an improvement on previous forecasts, due to the **continued robust cash generation** recorded by the business in the last six months: specifically, the new forecasts show the **cash flow from ordinary operations** settling in a range **between € 50 and € 55 million** (versus the previous range of € 40-€ 45 million), which allows the Group to confirm the achievement, before the impacts from the adoption of IFRS 16, of a **positive consolidated net financial position at year end**.
Conversely, taking account of the impact of IFRS 16, indications point to a **Group financial debt no greater than 0.7x Adjusted EBITDA** (from the previous 0.8x).

PERFORMANCE OF BUSINESS AREAS

● ***BOOKS***

As mentioned, in the first three months of 2021 the **Trade books market** in Italy posted a **sharp growth of 39.6%**[5] versus the same period of the prior year, consolidating the trend started in the second half of 2020. If the comparison with first quarter 2020 is affected in every way by the lockdown, which impacted on the operation of almost all sales channels in March 2020, **the comparison with first quarter 2019 bears more significance to the extraordinary trend that the Books market is experiencing**: growth in the first three months of the year versus the same period of 2019 amounted, in fact, to **26.1%**.

Against this backdrop, the Mondadori Group - thanks to its **improved performance** versus the overall performance of other publishers **- increased its market share** to **23.7%**, confirming its undisputed leadership in the Trade segment.

As proof of the **quality of the editorial plan**, mention should be made that during the first 3 months of the year, the Group placed **4 titles in the top ten bestsellers in terms of value**[6]: *Il sistema. Potere, politica, affari: storia segreta della magistratura italiana* by Alessandro Sallusti and Luca Palamara, published by Rizzoli, which was the chartbuster in the opening months of the year, ranking firmly at the top, followed by

[5] GFK, March 2021 (figures in terms of market value)
[6] GFK, March 2021 (ranking in terms of cover value)

La disciplina di Penelope by Gianrico Carofiglio (Mondadori); *Insieme in cucina*. *Divertirsi in cucina con le ricette di «Fatto in casa da Benedetta»* by Benedetta Rossi (Mondadori Electa) and *A riveder le stelle. Dante, il poeta che inventò l'Italia* by Aldo Cazzullo (Mondadori).

Revenue in the Books area in the first three months of 2021 amounted to **€ 71.6 million, up by 23%** versus € 58.2 million in the first three months of 2020. This performance is **even higher than the revenue achieved in the same period in 2019** (€ 70.2 million).

Revenue of the Trade segment, amounting to € 55.9 million, posted a **sharp increase (+39.4%)** versus € 40.1 million in first quarter 2020. Revenue also improved (+13.4%) versus first quarter 2019, unaffected by the pandemic.

Revenue of the Educational segment, amounting to € 13.8 million, fell by 17.2% versus the same period of 2020 (€ 16.7 million), due primarily to the contraction of Electa's activities, attributable to the closures of museums and archaeological sites, only partly offset by the increase in revenue from Rizzoli International Publications.

Revenue from the sales of **e-books and audiobooks**, which accounted for approximately **7.3%** of total **publishing revenue**, was **up by 5.9%** versus the prior year.

Adjusted EBITDA in the Books area came to € 0.6 million versus € -4.5 million in first quarter 2020, an **improvement of over € 5 million**, thanks to the positive trend of revenue in the Trade segment in the period under review.

Reported EBITDA amounted to € 0.6 million versus € -5.2 million at 31 March 2020, while **EBIT** amounted to € -2.5 million versus € -8.3 million in first quarter 2020, with an upward trend consistent with the above dynamics.

- ***RETAIL***

The **Retail area** registered revenue of **€ 33.4 million**, up by € 2.3 million **(+7.4%)** versus € 31.1 million in the same period of the prior year, due exclusively to the improved performance of the Book product (up by more than € 3 million or **+16.4%**), which accounted for more than 80% of the Area's revenue[7].

The quarter was negatively impacted by the government measures to contain the pandemic, which caused severe restrictions on sales activities from early January and throughout the period. Our directly-managed stores, located mainly in large tourist cities, were strongly affected.
The **franchised channel** - composed mainly of proximity stores located in small towns - was less affected by government restrictions and, instead, posted a **positive performance, growing by approximately 30%**.

In the first three months of the current year, Mondadori Retail recorded **adjusted EBITDA** of € -0.4 million, **improving significantly** (€ +0.8 million) versus € -1.2 million in the same period of 2020, as a result of the **deep transformations, the renewal of the network** of physical stores, the **careful cost management** and the **thorough review of the organization and of processes**: **reported EBITDA** in fact was basically at breakeven (€ -0.3 million versus € -1.3 million in the first three months of 2020); **EBIT** came to € -2.4 million (€ -3.8 million in the first three months of 2020), posting a robust improvement (€ +1.4 million).

- ***MEDIA***

In the first three months of 2021, the advertising market showed a positive trend in the web channel, up by +6.4% versus the first quarter last year: this figure recovered strongly from the first two months of the current year, driven by the strong growth recorded in March (+27%); the magazine channel was down (-32.2% versus first quarter 2020[8]).

[7] Product revenue excluding Club revenue
[8] Nielsen, March 2021

The circulation (-7.6%[9]) and magazines add-on products market (-25%) both followed suit.

Against this backdrop, the Mondadori Group's circulation **market share** stood at **23%**, **steady** versus March of the prior year[13].

The Group retained its position as **Italy's top multimedia publisher,** continuing to engage with and strengthen its communities during the period: **print** with **10.2 million readers**[10]; **web** with a reach in March 2021 of 80% and approximately **32.8 million unique users**[11] up by over 4% versus March 2020; **social** with a **fanbase of 39.2 million**[12] at 31 March 2021.

The Media area reported **revenue of € 46.8 million**, down by 7.5% versus € 50.6 million in the same quarter of the prior year. **Digital activities, which account for approximately 17% of the area's total revenue**, posted a **sharp growth of 36%** in the quarter**,** driven by the consolidation of Hej!, a company specialized in tech advertising.

Specifically:

- circulation revenue was down by 7.3%, with television magazines performing better (approximately -4% in terms of copies);
- advertising revenue grew by 3.2% overall, pushed by **advertising sales on digital brands** (**+18.2% on a like-for-like basis**) and the contribution of the **newly-acquired Hej!**, which more than offset the contraction in print advertising (-31%);
  A point worth mentioning is that **digital revenue on total advertising revenue now accounts for 66%** of the total (up from 48% in first quarter 2020), driven by the strong growth also following the consolidation of Hej!.
- revenue from add-on products fell by approximately 34% versus first quarter 2020, due primarily to the extraordinary success last year of musical initiatives and the reduced availability of DVD titles, due to the lack of film releases caused by the pandemic;
- other revenue, which includes revenue from distribution activities, **increased by 5.6%** versus first quarter 2020.

Adjusted EBITDA in the Media area stood at **€ 2 million**, **steady** versus the first three months of 2020, thanks in particular to the **growth of digital activities** and the continued **measures to contain operating costs**, which allowed the Group to curb the negative impact on profitability resulting from the decline in print activities.
Reported EBITDA amounted to **€ 2 million**, **up** from € 1.8 million in first quarter 2020, thanks to the absence of non-recurring items in the period under review.

EBIT came to a positive **€ 0.4 million** versus a negative € 0.1 million at 31 March 2020, due also to lower amortization and depreciation for a total of € 0.3 million, attributable mainly to the effects of the write-downs made in 2020.

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START OF SHARE BUYBACK PROGRAM TO SERVICE THE 2021-2023, 2020-2022 AND 2019-2021 SHARE PERFORMANCE PLANS

The Board of Directors of Arnoldo Mondadori Editore S.p.A. approved the start of a share buyback program, under Article 5 of Regulation (EU) no. 596/2014, to be executed in accordance with the terms and conditions, already disclosed to the public, resolved by the Ordinary Shareholders' Meeting of 27 April 2021 which, among other things, authorized:

[9] Internal source: Press di, March 2021, in terms of value
[10] Audipress 2021
[11] Comscore, March 2021
[12] Shareablee + internal processing

- the purchase and disposal of treasury shares for a maximum amount of up to 0.39% of the share capital, which is intended to provide the Company with the no. 1,023,731 shares required over the three-year period to meet the obligations under the 2021-2023 Performance Share Plan established by the same Shareholders' Meeting, pursuant to Article 114-bis of the TUF;
- the continuation of the buyback program to service the 2019-2021 Performance Share Plan and the 2020-2022 Performance Share Plan in the manners and within the limits set out in the relevant Regulations.

Pursuant to Delegated Regulation (EU) 2016/1052, details of the buyback program are shown below:

- **Purpose of the program**

The sole purpose of the program is the buyback of Arnoldo Mondadori Editore S.p.A. treasury shares to service the 2021-2023 Performance Share Plan, the 2020-2022 Performance Share Plan and the 2019-2021 Performance Share Plan.

- **Maximum amount in cash allocated to the program**

Buybacks will be made at a minimum unit price not lower than the official Stock Exchange price on the day before the purchase transaction, reduced by 20%, and at a maximum unit price not higher than the official Stock Exchange price on the day before the purchase transaction, increased by 10%. The volumes and unit purchase prices will, however, be defined in accordance with the conditions governed by Article 3 of EU Delegated Regulation 2016/1052. Specifically, no shares may be purchased at a price higher than the higher between the price of the last independent trade and the price of the highest current independent bid on the trading venue where the purchase is carried out. In terms of volumes, daily purchase amounts will not exceed 25% of the daily average volume of Mondadori shares traded over the 20 trading days before the dates of purchase.

- **Maximum number of shares to purchase**

Purchases will regard a maximum of no. 860,000 ordinary shares (equal to 0.3289%) of the share capital to service the 2021-2023 Performance Share Plan, the 2020-2022 Performance Share Plan and the 2019-2021 Performance Share Plan, in the manners and within the limits set out in the relevant Regulations.
The maximum total amount of shares under the program is therefore within the limits of 10% of the share capital indicated by the Shareholders' Meeting of 27 April 2021, taking account also of the no. 1,838,326 treasury shares, equal to 0.7031% of the share capital, already held by the Company.

- **Duration of the program**

The buyback program runs from 14 May 2021 and will end with the Shareholders' Meeting to approve the financial statements for the year ending 31 December 2021, which coincides with the expiration of the authorization to purchase treasury shares approved by the Shareholders' Meeting on 27 April 2021.
The buyback program may be renewed upon further authorization by the shareholders.

- **Buyback procedures**

The buyback program will be coordinated and executed by an authorized intermediary, who will make the purchases independently, with no influence from Arnoldo Mondadori Editore S.p.A. as regards the timing of the purchases.
Buybacks will be made pursuant to the combined provisions of Article 132 of Legislative Decree no. 58/1998 and of Article 5 of Regulation (EU) 596/2014, Article 144-bis of the Issuer Regulation, and the EU and national legislation on market abuse (including Delegated Regulation (EU) 2016/1052), in accordance with the resolutions of the above Shareholders' Meeting of 27 April 2021.

Any subsequent changes to the buyback program will be promptly disclosed by the Company.
The transactions made will be disclosed to the market in the manners and within the time limits of applicable law.
For information on the above Performance Share Plans, reference should be made to the information documents prepared pursuant to Article 114-bis of Legislative Decree no. 58/1998 and to Article 84-bis of CONSOB Regulation no. 1197/1999 and available on the website www.mondadori.it (*Governance* section) and at the authorized storage mechanism 1Info (www.1Info.it).

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The results at 31 March 2021, approved today by the Board of Directors, will be presented to the financial community by the Mondadori Group CEO Antonio Porro and CFO Alessandro Franzosi at a conference call scheduled today, 13 May 2021, at 3pm.
The relevant documentation will be concurrently available on the website www.mondadori.it (Investors section) and on 1Info(www.1info.it).

Journalists will be able to follow the presentation, in listening mode only, by connecting to the dedicated number +39.028020927, and via the web in audio mode by registering at the link https://hditalia.choruscall.com/?calltype=2&info=company.

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The Interim Management Statement at 31 March 2021 will be made available on the authorized storage mechanism (www.1Info.it) and in the *Investors* section of the Company website www.mondadori.it on 14 May 2021.

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PUBLICATION OF THE MINUTES OF THE SHAREHOLDERS' MEETING

Arnoldo Mondadori Editore S.p.A. informs that the minutes of the Ordinary Shareholders' Meeting held on 27 April 2021 are available on the authorized storage mechanism (www.1info.it), in the *Governance* section of the Company website www.mondadori.it and at the Company's registered office.

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The Financial Reporting Manager - Alessandro Franzosi - hereby declares, pursuant to Article 154 bis, paragraph 2, of the Consolidated Finance Law, that the accounting information contained herein corresponds to the Company's records, books and accounting entries.

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Annexes:
1. *Consolidated balance sheet;*
2. *Consolidated income statement;*
3. *Group cash flow;*
4. *Glossary of terms and alternative performance measures used.*

GRUPPO MONDADORI

Annex 1

Consolidated balance sheet

€ millions	Mar 21	Mar 20	*% chg.*
TRADE RECEIVABLES	157.3	173.0	*(9.1%)*
INVENTORY	121.4	131.8	*(7.9%)*
TRADE PAYABLES	205.4	231.6	*(11.3%)*
OTHER ASSETS (LIABILITIES)	(16.6)	(5.9)	*n.s.*
NET WORKING CAPITAL	**56.7**	**67.3**	***(15.7%)***
INTANGIBLE ASSETS	194.4	220.4	*(11.8%)*
PROPERTY, PLANT AND EQUIPMENT	16.2	17.6	*(7.8%)*
INVESTMENTS	19.2	25.9	*(25.9%)*
NET FIXED ASSETS WITH NO RIGHTS OF USE IFRS 16	**229.8**	**263.9**	***(12.9%)***
ASSETS FROM RIGHTS OF USE IFRS 16	81.2	94.6	*(14.1%)*
NET FIXED ASSETS WITH RIGHTS OF USE IFRS 16	**311.0**	**358.4**	***(13.2%)***
PROVISIONS FOR RISKS	40.9	47.1	*(13.2%)*
POST-EMPLOYMENT BENEFITS	31.0	32.7	*(5.2%)*
PROVISIONS	**71.9**	**79.8**	***(9.9%)***
NET INVESTED CAPITAL	**295.9**	**345.9**	***(14.5%)***
SHARE CAPITAL	68.0	68.0	*0.0%*
RESERVES	106.2	103.0	*3.1%*
PROFIT (LOSS) FOR THE PERIOD	(10.2)	(19.1)	*n.s.*
GROUP EQUITY	**164.0**	**151.9**	***8.0%***
NON-CONTROLLING INTERESTS' EQUITY	0.0	0.1	*n.s.*
EQUITY	**164.0**	**152.0**	***7.9%***
NET FINANCIAL POSITION NO IFRS 16	47.9	96.9	*(50.6%)*
NET FINANCIAL POSITION IFRS 16	83.9	97.0	*(13.5%)*
NET FINANCIAL POSITION	**131.8**	**193.9**	***(32.0%)***
SOURCES	**295.9**	**345.9**	***(14.5%)***

Annex 2
Consolidated income statement

€ millions	1Q 2021		1Q 2020		% chg.
REVENUE	**144.8**		**135.3**		***7.0%***
INDUSTRIAL PRODUCT COST	43.2	*29.9%*	44.5	*32.9%*	*(2.8%)*
VARIABLE PRODUCT COSTS	24.7	*17.0%*	19.2	*14.2%*	*28.6%*
OTHER VARIABLE COSTS	28.6	*19.8%*	27.0	*19.9%*	*6.1%*
STRUCTURAL COSTS	12.5	*8.6%*	12.0	*8.9%*	*4.2%*
EXTENDED LABOUR COST*	35.1	*24.2%*	35.9	*26.5%*	*(2.2%)*
OTHER EXPENSE (INCOME)	(0.4)	*(0.3%)*	(0.2)	*(0.1%)*	*n.s.*
ADJUSTED EBITDA	**1.1**	***0.7%***	**(3.1)**	***(2.3%)***	***n.s.***
RESTRUCTURING COSTS	0.9	*0.6%*	0.6	*0.4%*	*67.0%*
EXTRAORDINARY EXPENSE (INCOME)	(0.1)	*(0.1%)*	0.6	*0.4%*	*n.s.*
EBITDA	**0.2**	***0.2%***	**(4.2)**	***(3.1%)***	***n.s.***
AMORTIZATION AND DEPRECIATION	5.9	*4.1%*	6.1	*4.5%*	*(2.0%)*
AMORTIZATION AND DEPRECIATION IFRS 16	3.3	*2.3%*	3.7	*2.7%*	*(11.8%)*
EBIT	**(9.0)**	***(6.2%)***	**(14.0)**	***(10.4%)***	***n.s.***
FINANCIAL EXPENSE (INCOME)	0.6	*0.4%*	0.9	*0.7%*	*(38.8%)*
FINANCIAL EXPENSE IFRS 16	0.5	*0.4%*	0.7	*0.5%*	*(24.6%)*
FINANCIAL EXPENSE (INCOME) FROM SECURITIES VALUATION	0.4	*0.3%*	6.9	*5.1%*	*n.s.*
EXPENSE (INCOME) FROM INVESTMENTS	1.6	*1.1%*	1.3	*0.9%*	*23.6%*
EBT	**(12.1)**	***(8.4%)***	**(23.8)**	***(17.6%)***	***n.s.***
TAX EXPENSE (INCOME)	(1.9)	*(1.3%)*	(4.7)	*(3.5%)*	*n.s.*
NET RESULT FOR THE PERIOD (GROUP AND NON-CONTROLLING INTERESTS)	**(10.2)**	***(7.0%)***	**(19.1)**	***(14.1%)***	***n.s.***
MINORITIES	0.0	*0.0%*	(0.0)	*(0.0%)*	*n.s.*
GROUP NET RESULT	**(10.2)**	***(7.0%)***	**(19.1)**	***(14.1%)***	***n.s.***

(*) Cost of personnel includes costs for collaborations and temporary employment.

Annex 3
Group cash flow

€ millions	LTM Mar 21	2020
INITIAL NFP IFRS 16	**(193.9)**	**(151.3)**
FINANCIAL LIABILITIES APPLICATION OF IFRS 16	(97.0)	(95.9)
INITIAL NFP NO IFRS 16	**(96.9)**	**(55.4)**
ADJUSTED EBITDA (NO IFRS 16)	87.0	82.4
NWC AND PROVISIONS	5.8	1.2
CAPEX NO IFRS 16	(21.7)	(21.8)
CASH FLOW FROM OPERATIONS	**71.1**	**61.9**
FINANCIAL INCOME (EXPENSE) NO IFRS 16	(3.3)	(3.7)
TAX	(7.5)	(6.9)
CASH FLOW FROM ORDINARY OPERATIONS CONTINUING OPERATIONS	**60.4**	**51.2**
CF FROM ORDINARY OPERATIONS DISCONTINUED OR DISCONTINUING OPERATIONS	0.0	0.0
CASH FLOW FROM ORDINARY OPERATIONS	**60.4**	**51.2**
RESTRUCTURING COSTS	(5.6)	(5.2)
SHARE CAPITAL INCREASE/DIVIDENDS NON CONTROLLING INTERESTS AND ASSOCIATES	(1.1)	(1.1)
PURCHASE/DISPOSAL	(6.6)	(0.5)
OTHER	2.1	(3.7)
CASH FLOW FROM EXTRAORDINARY OPERATIONS	**(11.3)**	**(10.5)**
TOTAL CASH FLOW	**49.1**	**40.7**
NET FINANCIAL POSITION NO IFRS 16	**(47.9)**	**(14.8)**
IFRS 16 EFFECTS IN THE PERIOD	13.1	13.0
FINAL NET FINANCIAL POSITION	**(131.8)**	**(97.6)**

Annex 4
GLOSSARY OF TERMS AND ALTERNATIVE PERFORMANCE MEASURES USED

This document, in addition to the statements and conventional financial measures required by IFRS, presents a number of reclassified statements and alternative performance measures, in order to provide a better understanding of the operating and financial performance of the Group. These statements and measures should not be considered as a replacement of those required by IFRS. With regard to these figures, in accordance with the recommendations contained in CONSOB Communication no. 6064293 of 28 July 2006, and in CONSOB Communication no. 0092543 of 3 December 2015, as well as with the 2015/1415 ESMA guidelines on alternative performance measures ("Non-GAAP Measures"), explanations are given on the criteria adopted in their preparation and the relevant notes to the items appearing in the mandatory statements.

Specifically, the alternative measures used include:

Gross Operating Profit (EBITDA): net result for the period before income tax, other financial income and expense, amortization, depreciation and write-downs of fixed assets. The Group also provides information on the percentage of EBITDA on net sales. EBITDA measured by the Group allows operating results to be compared with those of other companies, net of any effects from financial and tax items, and of depreciation and amortization, which may vary from company to company for reasons unrelated to general operating performance.

Adjusted gross operating profit (adjusted EBITDA): gross operating profit as explained above, net of income and expense of a non-ordinary nature such as:
(i) income and expense from restructuring, reorganization and business combinations;
(ii) clearly identified income and expense not directly related to the ordinary course of business;
(iii) as well as any income and expense from non-ordinary events and transactions as set out in CONSOB Communication DEM6064293 of 28/07/2006.
(iv)

	31/03/2021	31/03/2020
€ millions		
ADJUSTED EBITDA	**1.1**	**(3.1)**
RESTRUCTURING COSTS	0.9	0.6
EXTRAORDINARY EXPENSE (INCOME)	(0.1)	0.6
EBITDA	**0.2**	**(4.2)**

Operating result (**EBIT**): net result for the period before income tax, and other financial income and expense.

Result before tax (EBT): EBT or consolidated income before tax is the net result for the period before income tax.

Result from continuing operations: net result of the Group, excluding the contribution of Mondadori France and the financial expense charged to the subsidiary in 2019.

Result from discontinued operations: net result in 2019 of Mondadori France, together with the recognition of the fair value adjustment of the disposal group.
This item also includes the financial expense held by the Parent Company, but attributable to Mondadori France and charged to the latter under the intercompany loan agreement.

Net invested capital: the algebraic sum of Fixed Capital, which includes non-current assets and non-current liabilities (net of non-current financial liabilities included in the Net Financial Position) and Net Working Capital, which includes current assets (net of cash and cash equivalents and current financial assets included in the Net Financial Position), and current liabilities (net of current financial liabilities included in the Net Financial Position).

Cash flow from operations: adjusted EBITDA, as explained above, plus or minus the decrease/(increase) in working capital in the period, minus capital expenditure (CAPEX/Investment).

Cash flow from ordinary operations: cash flow from operations as explained above, net of financial expense, tax paid in the period, and income/expense from investments in associates.

LTM cash flow from ordinary operations: cash flow from ordinary operations in the last 12 months.

Cash flow from non-ordinary operations: cash flow generated/used in transactions that are not considered ordinary, such as company restructuring and reorganization, share capital transactions and acquisitions/disposals.